



Senate

General Assembly

File No. 715

February Session, 2008

Substitute Senate Bill No. 203

Senate, April 23, 2008

The Committee on Environment reported through SEN. MEYER of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE SALE OF STATE REAL PROPERTY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4b-21 of the 2008 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2008*):

4 (a) When the General Assembly is not in session, the trustees of any
5 state institution, the State Board of Education or the Commissioner of
6 Correction may, subject to the provisions of section 4b-23 of the 2008
7 supplement to the general statutes, purchase or acquire for the state,
8 through the Commissioner of Public Works, any land or interest
9 therein if such action seems advisable to protect the state's interest or
10 to effect a needed economy, and may, subject to the provisions of said
11 section, contract through the Commissioner of Public Works for the
12 sale or exchange of any land or interest therein belonging to the state
13 except that The University of Connecticut may purchase or acquire for
14 the state and may dispose of or exchange any land or interest therein
15 directly. When the General Assembly is not in session, the

16 Commissioner of Public Works, with the approval of the State
17 Properties Review Board, may give or obtain an option upon any land
18 or interest therein which is not under the control of the trustees of any
19 state institution, the State Board of Education or the Commissioner of
20 Correction when such action seems advisable, and such option shall
21 remain in force until the fifteenth day of August following the next
22 session of the General Assembly.

23 (b) Any state agency, department or institution having custody and
24 control of land, an improvement to land or interest in land, belonging
25 to the state, shall inform the Secretary of the Office of Policy and
26 Management, in writing, when such land, improvement or interest or
27 any part thereof is not needed by the agency, department or
28 institution. Upon receipt of such notification, the secretary shall
29 arrange for such agency, department or institution to forthwith
30 transfer custody and control of such land, improvement or interest to
31 the Department of Public Works, along with adequate funding for
32 personnel and other operating expenses required for the maintenance
33 of such land, improvement or interest, and shall notify all state
34 agencies, departments and institutions that such land, improvement or
35 interest is available. Within ninety days of receipt of such notification
36 from the secretary, any state agency, department or institution that is
37 interested in utilizing the land, improvement or interest shall submit a
38 plan to the secretary that sets forth the proposed use for the land,
39 improvement or interest and a budget and timetable for such use. Any
40 such agency, department or institution may request an extension of
41 such ninety-day period in order to develop a plan and submit it to the
42 secretary. If the Commissioner of Economic and Community
43 Development determines that such land, improvement or interest can
44 be utilized or adapted for use as an emergency shelter or transitional
45 living facility for homeless persons or can be utilized or exchanged for
46 property which can be utilized for the construction, rehabilitation or
47 renovation of housing for persons and families of low and moderate
48 income, said commissioner may (1) within such ninety-day period, or
49 extension thereof, submit to the secretary, in lieu of such plan, a
50 preliminary plan indicating that the land, improvement or interest can

51 be utilized, adapted or exchanged for such housing purposes and
52 stating the type of housing that is planned, and (2) within six months
53 after the end of such ninety-day period, or extension thereof, submit a
54 comprehensive plan for the development of such housing to the
55 secretary, in a form prescribed by the secretary. If the Commissioner of
56 Economic and Community Development submits preliminary and
57 comprehensive plans to the secretary within such periods, the agency,
58 department or institution having custody and control of the land,
59 improvement or interest shall transfer custody and control to the
60 Commissioner of Economic and Community Development in
61 accordance with such procedures as the secretary may prescribe. If (A)
62 the Commissioner of Economic and Community Development does
63 not submit a preliminary plan to the secretary within such ninety-day
64 period, or extension thereof, or so submits a preliminary plan but does
65 not submit a comprehensive plan to the secretary within such six-
66 month period, and (B) one or more agencies, departments or
67 institutions submit a plan for such land, improvement or interest to the
68 secretary within such ninety-day period, or extension thereof, the
69 secretary shall analyze such agency, department or institution plan or
70 plans and determine whether (i) custody and control of the land,
71 improvement or interest shall be transferred to one of such agencies,
72 departments or institutions, in which case the agency, department or
73 institution having custody of the land, improvement or interest shall
74 make such transfer, or (ii) the land, improvement or interest shall be
75 treated as surplus.

76 (c) If the secretary determines that such land, improvement, interest
77 or part thereof may properly be treated as surplus, he shall notify the
78 Commissioner of Public Works. Concomitantly, the secretary shall
79 send such notice to the joint standing committee of the General
80 Assembly having cognizance of matters relating to state property. If
81 the secretary also determines that such land, improvement or interest
82 or part thereof was purchased or improved with proceeds of tax
83 exempt obligations issued or to be issued by the state, he shall also
84 notify the Treasurer. The Commissioner of Public Works may sell,
85 exchange or lease, or enter into agreements concerning, such land,

86 improvement, interest or part thereof, after (1) notifying (A) the
87 municipality or municipalities in which such land, improvement or
88 interest is located, (B) the members of the General Assembly
89 representing such municipality or municipalities, and (C) any potential
90 developer of an incentive housing development, as defined in section
91 8-13m of the 2008 supplement to the general statutes, who has
92 registered with the Commissioner of Economic and Community
93 Development to be notified of any such state surplus land, and (2)
94 obtaining the approval of (A) the Secretary of the Office of Policy and
95 Management, (B) the State Properties Review Board, and (C) the joint
96 standing committees of the General Assembly having cognizance of
97 matters relating to (i) state revenue, and (ii) the purchase and sale of
98 state property and facilities, and (3) if such land, improvement, interest
99 or part thereof was purchased or improved with proceeds of tax-
100 exempt obligations issued or to be issued by the state, obtaining the
101 approval of the Treasurer. The Treasurer may disapprove such a
102 transaction only if the transaction would affect the tax-exempt status of
103 such obligations and could not be modified to maintain such tax-
104 exempt status. If a proposed agreement for such a conveyance has not
105 been submitted to the State Properties Review Board within three
106 years after the Commissioner of Public Works provides such notice to
107 such municipality and such members of the General Assembly, or if
108 the board does not approve the proposed agreement within five years
109 after such notice, the Commissioner of Public Works may not convey
110 such land, improvement or interest without again so notifying such
111 municipality and such members of the General Assembly. If five years
112 or longer elapses between the date of the original appraisal of the fair
113 market value for any such land to be conveyed and the conveyance of
114 such land, the Commissioner of Public Works shall obtain a new
115 appraisal of the fair market value for any such land to be conveyed
116 and the Secretary of the Office of Policy and Management shall again
117 notify all state agencies that such land is available, in accordance with
118 the provisions of subsection (b) of this section. In the case of a
119 proposed lease of land, an improvement to land or an interest in land,
120 or any part thereof, with a person, firm or corporation in the private

121 sector, for a term of six months or more, the Commissioner of Public
122 Works shall comply with such notice requirement by notifying in
123 writing the chief executive officer of the municipality in which the
124 land, improvement or interest is located and the members of the
125 General Assembly representing such municipality, not less than two
126 weeks before seeking the approval of said secretary, board and
127 committees, concerning the proposed lease and the manner in which
128 the lessee proposes to use the land, improvement or interest. Each
129 agency, department or institution which informs the secretary that any
130 land, improvement or interest in land is not needed shall retain
131 responsibility for its security and maintenance until the Commissioner
132 of Public Works receives custody and control of the property, if any.
133 The Treasurer shall execute and deliver any deed or instrument
134 necessary to convey the title to any property the sale or exchange of
135 which or a contract for the sale or exchange of which is authorized by
136 this section.

137 (d) Upon approval of the proposed action of the Commissioner of
138 Public Works by said secretary and board, said commissioner shall
139 request approval of such action by the joint standing committees of the
140 General Assembly having cognizance of matters relating to state
141 revenue and the purchase and sale of state property and facilities,
142 provided the preparation and review of any requisite environmental
143 impact evaluation, as required pursuant to sections 22a-1b to 22a-1e,
144 inclusive, shall be completed prior to such request. Additionally, when
145 seeking the approval of each such committee, the Commissioner of
146 Public Works shall provide each committee with a statement
147 indicating whether: (1) An evaluation of archaeological resources on
148 such land has been conducted, (2) such proposed sale is consistent
149 with the state plan of conservation and development and any revisions
150 thereto, as described in chapter 297, and (3) for any improvements on
151 such land, a review of the architectural significance of such
152 improvements has been conducted. Each committee shall have thirty
153 days from the date such request is received to convene a meeting to
154 vote to approve or disapprove such action. Each such committee may
155 extend such thirty-day period by an additional sixty days upon a

156 majority vote of such committee's members. If such request is
 157 withdrawn, altered, amended or otherwise changed by the
 158 Commissioner of Public Works, said commissioner shall resubmit such
 159 request, and each committee shall have thirty days from the date of
 160 such resubmittal to convene a meeting to vote to approve or
 161 disapprove such action, except that each such committee may extend
 162 such thirty-day period by an additional sixty days upon a majority
 163 vote of such committee's members. If a committee does not act on a
 164 request or the resubmittal of a request, as the case may be, [within that
 165 time] by the applicable deadline for such action, the request shall be
 166 deemed to be approved by the committee.

167 (e) No provision of this section shall be construed to limit,
 168 supersede or repeal any other provision of law relating to the powers
 169 or duties of any state agency.

170 (f) The requirements of subsections (b) to (d), inclusive, of this
 171 section shall not apply to land which the Commissioner of
 172 Environmental Protection has acquired pursuant to 42 USC 9601 et
 173 seq., the federal Comprehensive Environmental Response,
 174 Compensation and Liability Act of 1980, as amended, (CERCLA).

175 (g) During each legislative session, the Commissioner of Public
 176 Works shall appear before the joint standing committee of the General
 177 Assembly having cognizance of matters relating to state property and
 178 shall present information to such committee on the status of the state's
 179 surplus property under the commissioner's custody and control.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2008	4b-21

ENV *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	Future Fiscal Years
Pub. Works, Dept.	GF - Potential Cost	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Department of Public Works (DPW) to obtain a new appraisal of the fair market value of any surplus property that is not conveyed within five years after the original appraisal. It is anticipated that DPW will be able to handle any additional appraisals for such surplus properties within normal budgetary resources.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 203*****AN ACT CONCERNING THE SALE OF STATE REAL PROPERTY.*****SUMMARY:**

This bill changes the process for declaring surplus and disposing of unneeded state land or improvements to land (property) under the custody and control of the Department of Public Works (DPW) commissioner. By law, the Office of Policy and Management (OPM) secretary may declare a state agency's unneeded property as surplus if no other state agency submits a plan for using it. Once property is declared surplus, the DPW commissioner must sell, lease, or otherwise convey it.

The bill also requires the DPW commissioner to present a status report to the Government Administration and Elections (GAE) Committee each session on the surplus property under his custody and control.

Lastly, the bill makes technical, conforming changes.

EFFECTIVE DATE: October 1, 2008

DECLARATION AND DISPOSAL OF SURPLUS PROPERTY***Time Period for State Agencies to Submit a Reuse Plan***

By law, state agencies have 90 days after receiving notice of the availability of unused state property to submit a reuse plan to the OPM secretary. The bill permits agencies to request an extension, apparently of an unlimited duration, to develop and submit the plan.

Notice Declaring Property as Surplus

The bill requires the OPM secretary to send the GAE Committee

notice whenever state property is declared surplus. The notice must be sent at the same time the secretary sends notice to the DPW commissioner. This means the notice must be sent before surplus property can be offered for sale, exchanged, leased, or otherwise conveyed.

Disposal of Surplus Property

Generally, after property is declared surplus, the DPW commissioner has it appraised and then notifies the town or towns where it is located (and the legislators representing those towns) of its availability. The commissioner also gives notice of the property's availability to any potential developer of an incentive housing development who has registered a request for notice with the Department of Economic and Community Development. If interested, the town(s) or the developer may acquire the property at its fair market value after the commissioner gets approval from OPM; the State Properties Review Board; the Finance, Revenue and Bonding and GAE committees; and, if tax-exempt bonds were used to purchase or improve the property, the treasurer. If neither the town(s) nor the developer is interested, DPW must sell, lease, or otherwise convey the property on the open market after getting approval.

The bill requires the:

1. DPW commissioner to obtain a new appraisal of the fair market value of any surplus property that is not conveyed within five years after the original appraisal;
2. OPM secretary to reoffer to state agencies surplus property that is reappraised;
3. DPW commissioner to have an environmental impact evaluation prepared and reviewed before she asks for the committees' approval;
4. DPW commissioner to give the committees a statement indicating whether: (a) an evaluation has been conducted of the

property's archaeological resources; (b) the proposed sale is consistent with the state plan of conservation and development, including any revisions; and (c) a review has been conducted of the architectural significance of any improvements.

By law, the committees have 30 days from the date they receive a plan (or resubmitted plan) to convey the property to approve or disapprove it. The bill allows the committees to extend the deadline by an additional 60 days upon the vote of a majority of their members.

BACKGROUND

Environmental Impact Evaluations

Among other things, environmental impact evaluations must examine the direct, indirect, and cumulative environmental consequences of a proposed action, and any reasonable alternatives to it (CGS § 22a-1b(c)). OPM reviews the evaluations, determining, among other things, if an agency has taken all practicable steps to avoid or minimize environmental harm.

State Plan of Conservation and Development

The plan is largely an advisory document, stating the state's development, resource management, and public investment policies. State agencies must consider the plan when acquiring, developing, or otherwise improving real property.

Legislative History

On March 28, the Senate referred the bill (File 14) to the Planning and Development Committee, which reported it without change on April 4. On April 9, the Senate referred it to the Environment Committee, which eliminated a requirement under the bill for the DPW commissioner to indicate the acceptable zoning changes for surplus state land whenever a request for proposals is issued to dispose of it.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 11 Nay 0 (02/25/2008)

Planning and Development Committee

Joint Favorable

Yea 10 Nay 5 (04/04/2008)

Environment Committee

Joint Favorable Substitute

Yea 16 Nay 10 (04/16/2008)